

STATE FINANCING OF HIGHER EDUCATION INSTITUTIONS IN THE CONTEXT OF THE INTRODUCTION OF INNOVATIVE ECONOMY

Alisher Bakberganovich Sherov

Head of the Department of Economics at Mamun University, PhD, Associate Professor

Abstract

As we all know, the role of the education system, especially the higher education system, is important in the development of the country. Therefore, all developed countries pay great attention to the organization of a high-quality and effective education system in the country. In addition, in recent years, a number of measures have been implemented in our country, additional conditions have been created by the state, and large amounts of funds have been spent from the state budget. This article compares the funds allocated by the state to the education system of Uzbekistan and developed countries, in particular to the higher education system, their share in the total state budget and the country's gross domestic product. Scientific conclusions and recommendations were developed by the author according to the research results.

ARTICLE INFO

Article history:

Received 3 Sep 2023

Revised form 20 Oct 2023

Accepted 30 Nov 2023

Keywords: *state, state expenditures, gross domestic product, budget expenditures, education, higher education, social sphere, higher education expenditures, finance, financing, investment, private education.*

© 2023 Hosting by Central Asian Studies. All rights reserved.

Introduction. The experience of developing the higher education system in the world, qualified personnel, their potential, knowledge, the level of effective use of the resources available in the country, the ability to make reasonable and correct decisions in a timely manner shows how much this depends on the possession of skills, and as a practical result of this we see that special attention is paid to the education system at the international level, especially the higher education system.

Research materials and methods. The article uses methods of scientific abstraction, analysis and synthesis, induction and deduction, systematic analysis, and economic modeling.

Discussion and results. Effective implementation of any reforms necessarily depends on a certain amount of financial resources. Therefore, every year, a large part of the state budget is allocated for social expenses, in particular, education expenses, and as a result, a number of reforms are being implemented in the field of education. In particular, "in the last five years, 67 new higher education institutions and their branches were established in cooperation with prestigious foreign higher educational institutions. In the 9th month of 2022, budget funds of 2.7 trillion soums were allocated to the system of higher and secondary special education, of which 2.5 trillion soums were allocated for the current expenses of the Ministry of Higher and Secondary

Special Education. " was allocated and the following results were achieved: the level of coverage of graduates with higher education was increased to 38%, the scientific potential of higher education institutions was 39%, 33 non-state higher educational institutions were established."

0.5 billion soums were allocated as part of the subsidy program for young people included in the "Youth Register" during their internship.

43.2 billion soums of funds were appropriated within the framework of the program for the construction of student residences on the order of public-private partnership and state higher education institutions, and the capacity of student residences was increased to 92,351 places and students the level of coverage (relative to the need) was 43.7 percent. In addition, in 2022, 60 student residences with 30,956 beds (including 39 with 20,866 beds based on PPP) were built.

Reform and further development of the education system in the country directly depends on the level of financial resources in this field. Taking this into account, a lot of attention is being paid to the social sphere and the support of the population in our country. In each fiscal year, almost half of the total budget expenditures are allocated to the social sphere and population support. The largest share of social sector and population support expenses is education expenses (Fig. 1).

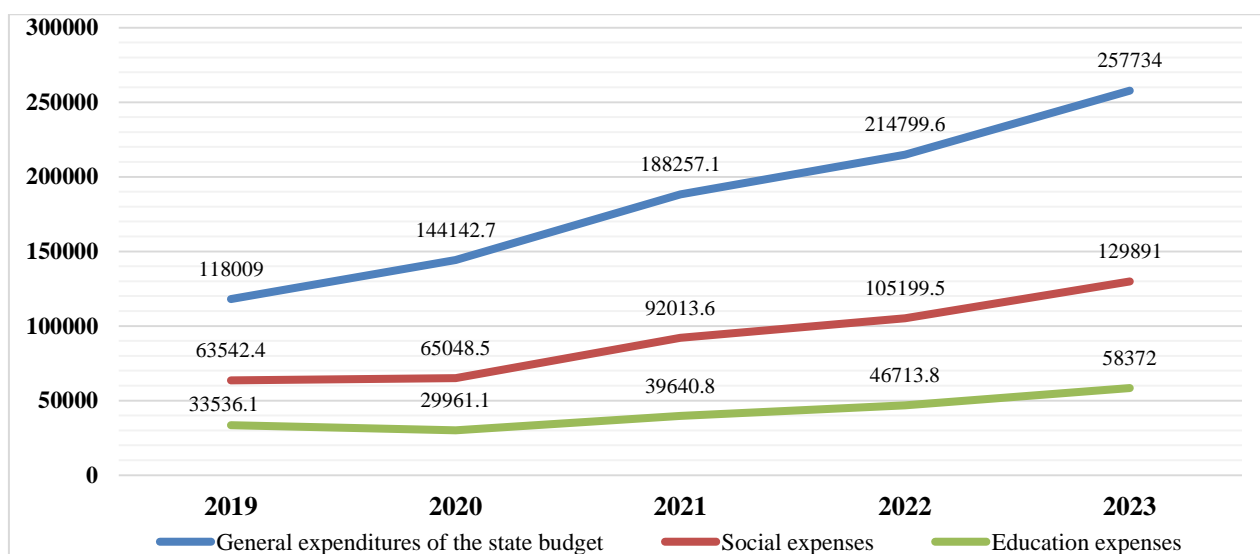


Figure 1. Expenditures of the state budget of the Republic of Uzbekistan on the social sphere (billion Soums).

From the data in the figure below, it can be seen that in 2020, compared with 2019, the share of social sector expenditures and population support in total budget expenditures decreased by 8.7%. One of the main reasons for this is the epidemiological situation in 2020. During this period, in addition to reducing revenues to the state budget, the main funds were spent on protecting the health of the country's population. In 2021-2023, social sector expenditures tend to increase as part of state budget expenditures, and in 2023 almost 2 times more funds were allocated to this area than in 2020, or the share of social sector expenditures in total expenditures in 2023 increased by 5.3 percent compared to 2020.

Education costs are considered the largest share of social spending, and this sector accounts for 46% of total social spending and 23% of total budget spending. If we pay attention to the above picture, we will see that spending on education in 2023 increased by 1.7 times compared to 2019, but the share of total budget expenditures decreased by 5.8%, and the share of social spending decreased by 7.9%. The reasons for this are that in recent years the activities of educational institutions based on private and public-private partnerships with public educational institutions have been supported in our country, at the same time changes are taking place in the system of continuing education in our country, or it can be shown that the

number of academic lyceums and professional colleges has decreased, as well as the amount of funds allocated from the state budget for other industries and directions has increased.

In the structure of expenditures on education, the largest share is accounted for by the financing of general education institutions, followed by expenditures on preschool education and higher education, respectively. In the figure below, we can see the dynamics of changes in the funds allocated to finance higher education from the state budget (Figure 2).

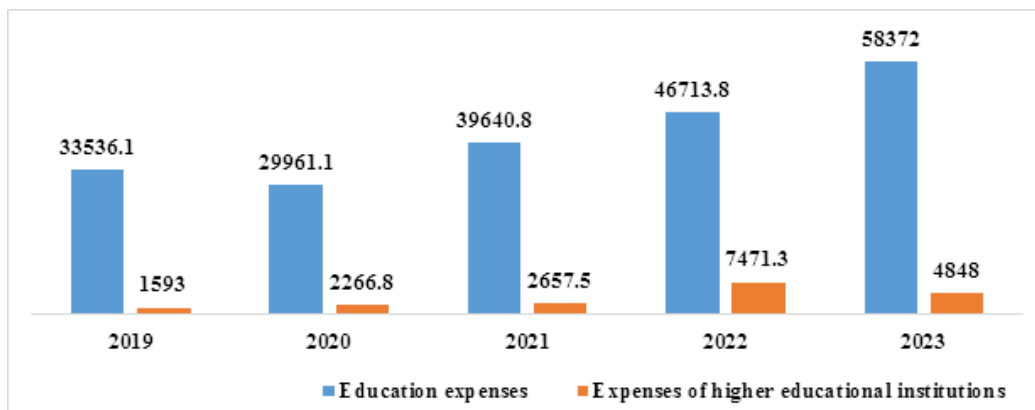


Figure 2. Expenditures on financing higher education from the state budget, billion soums

From the data in the figure below, we can see that the amount of funds allocated from the state budget to higher education institutions in 2019-2022 has a tendency to grow and increases from year to year. In particular, in 2019, 1593 billion soums were allocated from the state budget to finance higher education, and by 2022 this figure amounted to 7471.3 billion soums, that is, in 2022 4.7 times more than in 2019. highlighted. We see that the share of higher education spending in total education spending has increased from 4.8% in 2019 to 16% in 2022. The main reason for this is the opening of public and public-private partnership universities in 2022, the construction of new student dormitories and major repairs. By 2023, it is planned that the amount of funds allocated to the higher education system from the budget will decrease by 1.5 times compared to 2022, or the share of education spending will decrease by 2 times, respectively, to 8 percent. The main reason for this is the increase in the number of higher education institutions that will switch to self-financing from 2023. We see that the number of these higher education institutions has increased from 10 in 2020 to 41 today, that is, by 4 times.

In Figure 3 below, we can see the share of education, especially higher education expenses, within the State budget.

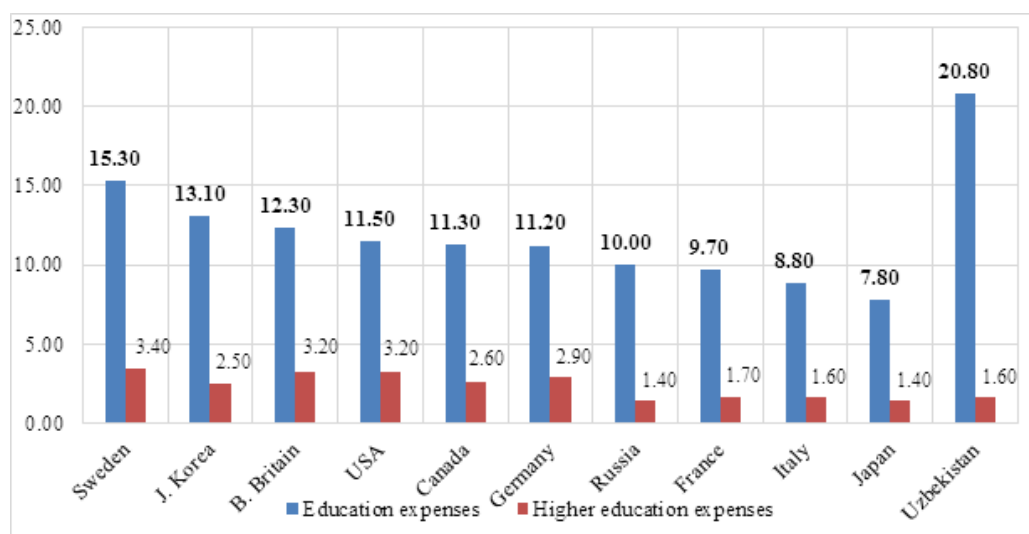


Figure 3. The share of education expenses in the state budget, in percent

As a result of the analysis of the indicators of Figure 3, in the leading countries of the world with a developed education system, the share of expenditures directed to education in the structure of state budget expenditures ranges from 7.8 percent (Japan) to 15.3 percent (Sweden), our average is 20.8 percent, which is twice as much as in developed countries. However, the share of expenditures of higher education institutions is twice as high as the share of expenditures on higher education compared to other countries, including Sweden, Great Britain, USA, Germany, Canada. We see that on average in the countries of South Korea it is 1.5 times less. At the same time, we see that France, Japan, Italy and Russia are almost equal in spending on higher education.

In the figure below, we can see the share of higher education expenses in the country's GDP (Figure 4).

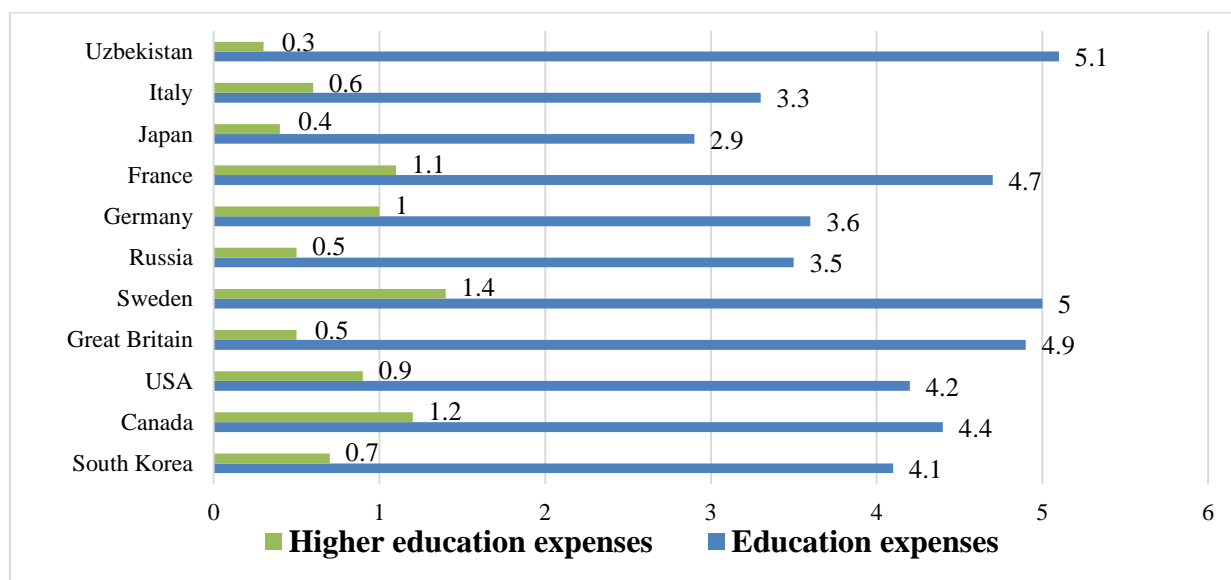


Figure 4. Share of education expenses in GDP, in percent

From the data of this picture, we see that the education system in Uzbekistan is higher in terms of the share of education expenditures in GDP than in the USA, Great Britain, France, South Korea and Canada, which are considered developed countries of the world, but ranks last among the countries analyzed above in terms of the share of higher education expenditures in GDP. France, the USA and Canada are among the leading countries in terms of the share of spending on higher education in GDP.

Conclusion. From the above data, we can see that although our country is one of the leaders in the world in terms of funds allocated to educational institutions from the state budget, it lags far behind developed countries in terms of the share of funds allocated to the higher education system. Given that the education system in our country is mainly non-profit organizations, it is advisable to expand the allocation of funds by the state to private higher education institutions. At the same time, when financing higher education institutions in our country, it is advisable to switch from financing by the number of students to a system of financing by results.

Also, in order to organize more efficient use of budgetary funds, it is desirable to increase the number of higher educational institutions that have gained financial independence and expand their powers to dispose of financial resources, abandon the practice of appointing employees of state organizations to positions. chairmanship of the Supervisory board.

REFERENCES

1. Sherov A. Reforms in the system of higher education and their impact on financial stability //International Finance and Accounting. – 2019. – T. 2019. – №. 3. – C. 21.

2. Кучкаров Ш., Шеров А. Б. Таълим муассасаларини молиялаштиришда натижага йўналтирилган бюджетлаштириш истикболлари //Central Asian Academic Journal of Scientific Research. – 2022. – Т. 2. – №. 2. – С. 62-67.
3. Sherov A. B., Ruzmetova G. N. A. O ‘zbekistonda oliy ta’lim tizimi borasida amalga oshirilayotgan islohotlar va uni moliyalashtirishning dolzarb masalalari //Oriental renaissance: Innovative, educational, natural and social sciences. – 2022. – Т. 2. – №. 2. – С. 264-270.
4. Кучкаров Ш. и др. Семейное предпринимательство и его эффективность //Barqarorlik va yetakchi tadqiqotlar onlayn ilmiy jurnali. – 2022. – Т. 2. – №. 1. – С. 154-157.
5. Образование в цифрах: 2022 : краткий статистический сборник / Л. М. Гохберг, Л. Б. Кузьмичева, О. К. Озерова и др.; Нац. исслед. ун-т «Высшая школа экономики». – М. : НИУ ВШЭ, 2022. – 132 с.
6. Sherov A. B. et al. Current issues of financing higher education institutions in the condition of an innovative economy //Gospodarka i Innowacje. – 2022. – Т. 21. – С. 127-130.
7. Кучкаров Ш., Шеров А. Б. Таълим муассасаларини молиялаштиришда натижага йўналтирилган бюджетлаштириш истикболлари //Central Asian Academic Journal of Scientific Research. – 2022. – Т. 2. – №. 2. – С. 62-67.
8. Bakberganovich S. A. Ways to Increase the Efficiency of Financing Higher Education Institutions //Journal of Marketing and Emerging Economics. – 2021. – Т. 1. – №. 7. – С. 49-56.
9. Шеров А. Б. Олий таълим муассасаларини молиялаштиришнинг ақш тажрибаси //Scientific progress. – 2021. – Т. 1. – №. 6. – С. 972-978.
10. www.imv.uz
11. www.edu.uz
12. www.openbudget.uz